### **DEPARTMENT OF BOATING AND WATERWAYS**

2000 Evergreen SACRAMENTO, CA 95815-3831 (916) 263-1331



# BOATING INFRASTRUCTURE GRANT PROGRAM TIER 2

#### **GRANT PROPOSAL FOR:**

PIER 38 MARITIME RECREATION CENTER - TRANSIENT FACILITIES

#### **SUBMITTED BY:**

STATE OF CALIFORNIA
DEPARTMENT OF BOATING AND WATERWAYS
2000 EVERGREEN STREET, SUITE 100
SACRAMENTO, CALIFORNIA 95815-3888

### **CONTACT PERSON:**

KEVIN ATKINSON C.E. ASSOCIATE

PHONE:

916-263-8149

FAX:

916-263-0648



# **Pier 38 Maritime Recreation Center**

San Francisco, California

# **Application for National Boating Infrastructure Grant**December 01, 2005

Submitted by: Carl Ernst, President

Pier 38 Maritime Recreation Center



# Submitted by:

Carl Ernst, President Pier 38 Maritime Recreation Center, Inc. Pier 38 The Embarcadero San Francisco, CA 94107

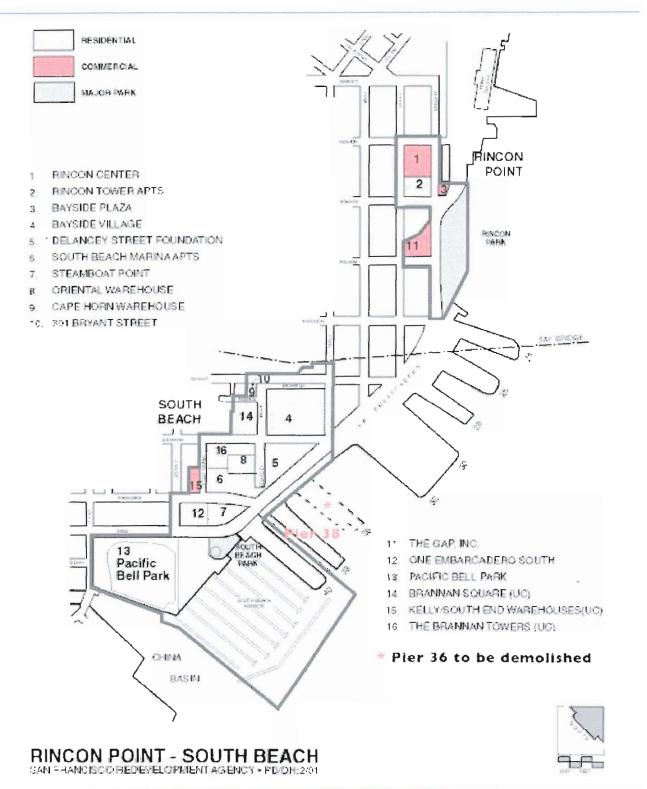
Tel: 415-975-3838 Fax: 415-975-3840

carl@pier38.com

www.pier38.com

# **National Boating Infrastructure Grant**

December 01, 2005



**National Boating Infrastructure Grant** 

December 01, 2005 Page One

#### Introduction

Pier 38 Maritime Recreation Center (Pier 38) has operated as a dry-dock and transient docking facility in downtown San Francisco since 1996. Pier 38 has recently acquired the entitlements and permits to expand inwater berthing, including permanent berthing. By the terms of its long term lease with the Port of San Francisco, a minimum of twenty-five percent (25%) of all slips and docking will be reserved for transient boating.

Currrently Pler 38 has 400 lineal feet of side-tie transient docking. This accommodates a maximum of 15 boats, 26 feet in length. Pier 38 is seeking a Tier II Grant in the amount of \$1.5 million to construct, increase and upgrade its transeint docking facilities to accommodate up to fifty transient boats (depening on size), from 26 feet to 250 feet length overall (LOA). The balance of the project cost, \$2,714,890.000, will be financed by Pier 38. Partial funding is acceptable. The goal is to begin construction in April 2006. The cost estimate is \$4.125 million for the entire project.

The top two waterways in California for boats 26 feet and over are the Pacific Ocean and the San Francisco Bay Area. There are approximately 10,815 boats in the San Francisco Bay Area with a length of 26 feet or greater. However there are very few transient docks available in this area and this is particularly true of San Francisco itself. Outside of Pier 38, there are approximately 50 such slips in San Francisco and this number drops considerably for boats over fifty feet in length. The new installation will provide a much needed increase in tie-up and dock space for both San Francisco Bay Area boaters and ocean going vessels to visit San Francisco, one of the most popular destinations in the world with over 16 million visitors annually.

#### Pier 38's plans include:

- 5,670 square feet of floating breakwater to create a safe harbor
- Fuel dock
- Renovation of approximately 9000 square feet of fixed apron
- An additional 18,998 square feet of floating docks on the north and south sides of the pier

#### 1. Construct New Transient Dockage

#### A. Need

Based on the last available study by the State of California<sup>1</sup>, completed in 2001, there are 923,163 boats registered in the state of California; 158,223 or 17% of those boats are registered in the San Francisco Bay Area. Of the registered boats in California; 63,618 of them are 26 feet in length or greater. Extrapolating from the 17% ratio related to all boats, there are 10,815 boats in the San Francisco Bay Area with a length of 26 feet or greater. This figure may he higher due to an increase in boats since 2001 and the fact that the larger boats tend to be concentrated in the coastal areas. (BNA)

The top two waterways in California for boats 26 feet and over are the Pacific Ocean and the San Francisco Bay Area (BNA). Three of the main needs cited by California owners of boats over 26 feet in length are (1) dredging, (2) more docks and (3) more capacity. (BNA). Water depth is not an issue at Pier 38 as we can handle boats up

# **National Boating Infrastructure Grant**

December 01, 2005 Page Two

to 250 feeet in length. However, in the San Francisco Bay Area there is very little transient dock space available in relation to the number of boats and in San Francisco itself, the shortage is critical. Outside of Pier 38, there are approximately fifty slips available for transient docking for boats fo 26 feet in length and even fewer as the size of the boat increases.

The need for transient slips is most critical for boats 100 feet or bigger. According to Superports, a British magazine, there are roughly 440 marinas worldwide with berths big enough and water deep enough to accommodate boats 100 feet or bigger. The marina at Pier 38 can accommodate vessels up to 250 feet. This project will expand Pier 38's capacity to handle boats over 100 feet.

#### **B.**Objective

Pier 38's project will more than double the amount of transient dockage available in San Francisco. Pier 38 currently has 400 lineal fee of side-tie for transient boaters. This currently allows for a maximum of fifteen - 26 foot boats. Pier 38 intends to add 25,000 square feet of floating docks on the north and south side of the Pier. By adopting a flexible approach, using both end-ties and side ties, Pier 38 will be able to accommodate up to 60 transient boats (depending on size), anywhere from 26 feet to 250 feet. This will more than double the transient dockage available in San Francisco for boaters form the San Francisco Bay Area as well as recreational ocean going vessels and greatly increase the opportunity to visit San Francisco, one of the most popular desintations in the world.

#### C. Expected Results and Benefits

With a doubling of the available transient slips, more boaters will have the opportunity to access and visit San Francisco, whether for a day trip or more extended stays. Pier 38 is conveniently located near public transportation including light rail, trains and taxis, all within walking distance. For those boaters planning an extended stay, San Francisco is the ideal jumping off point for the many attractions offered in the region including the Napa Valley to the northeast and Carmel and Monterey to the south.

Doubling the number of transient slips available in San Francisco will at least double the impact for the City of San Francisco. If, as anticipated, the new facility increases the number of extended stays by transient boaters, the ecomonic impact will increase accordingly.

(Please see Section 9 - Economic Impacts to the Community)

#### D. Approach

Pier 38 has received the necessary entitlements to add the additional dockage.

<sup>†</sup> See California Boating Facilities Needs Assessment available on the California Department of Boating and Waterways web stie at www.dbw.ca.gov (hereinafter BNA

# **National Boating Infrastructure Grant**

December 01, 2005 Page Three

Floating docks and floating breakwaters will be constructed of concrete and engineered to last at least seventy-five years. The gangways will be constructed of aluminum and engineered to last over thirty years. All docks will have electricity, water, CATV, and telecom. One sewage pump out station will be provided at the marina.

A safe harbor will be created by the floating breakwall placed at the eastern property line of the marina. The floating breakwater will provide transient dockage for the largest boats and protect the outside of the transient dockage inside the marina. The storm fetch to the southeast requires a deflection boom that Pier 38 will construct and tow to anchor in place prior to southeast storms. A fuel dock will also be constructed and will provide gasoline and diesel to the public.

Pier 38 will also reconstruct the fixed pier apron to provide public access around the entire perimeter of the pier. The Pier extends 900 feet into San Francisco Bay and the public access will provide spectacular views of the San Francisco Bay and environs. The fixed apron is also the means for boaters to access the gangways to the transient docks below it. Approximately 760 feet of fixed pier apron must be demolished and replaced with a new pedestrian walkway that will be equipped with railings, benches and lighting. All of the new walkway will be deeded to public access and will be maintained by Pier 38 for the course of its lease, which will expire on April 30, 2032.

(Please see site plan submitted with this application)

#### E. Estimated Costs

The estimated costs of new construction is as follows:

| \$ 475,000.00                      |   |
|------------------------------------|---|
| \$ 1,350.000.00                    |   |
| \$ 949,000.00                      |   |
| \$ 200,000.00                      |   |
| \$ 275,000.00                      |   |
| \$ 250,000.00                      |   |
| \$ 300,000.00                      |   |
| \$ 3.799.900.00                    |   |
| \$ 379,990.00                      |   |
| \$ 35,000.00                       |   |
| \$ 4,214,890.00                    |   |
| \$ 2,714,890.00<br>\$ 1,500,000.00 | (64%)<br>(35%)  |
|                                    | \$ 949,000.00<br>\$ 200,000.00<br>\$ 275,000.00<br>\$ 250,000.00<br>\$ 300,000.00<br>\$ 3,799,900.00<br>\$ 379,990.00<br>\$ 35,000.00<br>\$ 4,214,890.00<br>\$ 2,714,890.00 |

### **National Boating Infrastructure Grant**

December 01, 2005 Page Four

The individual items break down as follows:

#### 1. Floating Breakwater

Pier 38 will install 7,875 square feet of floating breakwater 315 feet long x 18 feet wide to be installed at the east of the pier. The cost for materials and installation including the pilings is \$ 60.00 per square foot for a total cost of \$475,500.00. The floating breakwater allows the tidal currents to move freely through the marina obviating silt accumulation.

#### 2. Fixed Pier Renovation

Renovation of approximately 9,000 square feet of fixed pier apron (approximately 760 lineal feet). The cost including demolition is \$150.00 per square foot for a total cost of \$1,350,000.00. The Port of San Francisco is obligated to providing 100% rent credits for this work which will be wholly dedicated to public access and amount to approximately \$1.3 million.

#### Floating Docks

Pier 38 will be installing an additional 18,998 square feet of floating docks on the north and south side of the Pier. The cost for materials and installation is \$50.00 per square foot for a total cost of \$949,900.00

#### 4. Gangways

Pier 38 will be installing ADA accessible gangways on each side of the pier. The gangways will cost \$125,000.00 (per quote from Topper Industries).

#### 5. Electrical

Pier 38 will be installing 55 pedestals for electrical service to the docks. The pedestals are approximately \$2,000.00 a piece. Further materials and installation including hook up at main electrical and each pedestal will cost \$3,000.00 per pedestal (per estimate from Lighthouse Electrical).

#### 6. Plumbing

Pier 38 will install water service to the pedestals. This includes installing 2,500 feet of pipe and hook-ups to each pedestal and the main. This will cost \$250,000.00 (per estimate of Strong and Ciafalo)

#### 7. Fuel Dock

Installation of fuel storage tanks and delivery systems for diesel and gasoline will cost \$300,000.00 (per quote from Mansfield Corp.)

#### 2. Partnerships

Pier 38's public partner is the Port of San Francisco (The Port), which is committed to providing rent credits for approximately \$1.3 million for demolition and repairs to the public access fixed dock.

### **National Boating Infrastructure Grant**

December 01, 2005 Page Five

Pier 38's private partners are:

| 1. | Nate Laskin                      | \$1,000.00 |
|----|----------------------------------|------------|
| 2. | Greg LaLanne Development         | \$1,000.00 |
| 3. | Dave Gottesman                   | \$1,000.00 |
| 4. | Buzz Gibb Waterfront Hotel       | \$1,000.00 |
| 5. | Bill O'Keefe, O'Keefe Mechanical | \$1,000.00 |
| 6. | Grand Prix Sailing Academy       | \$1,000.00 |
| 7. | Linda Marshall, The Chandlery    | \$1,000.00 |

#### 3. Use innovative Techniques

Marina designs of the past have been static rather than flexible. By utilizing a flexible approach involving different combinations of end-tie and side tie on any given day, Pier 38 will be able to adapt the and accommodate shifting needs. Pier 38's design is 'elastic' and provides transient dockage for boats anywhere from 26 feet in length to 250 feet in any of the multiple combinations that can arise and as need dictates.

All docks are heavy duty 4,000 psi concrete with 'cast-in' four inch galvanized steel bull rails, which facilitate med tie for any size boat. The bull rails will also have 'frogs feet', triangular hinged braces that capture the transom handling or 'pad' eyes installed by manufacturers. Frogs feet obviate the need for finger piers because modern boats are designed for stern egress. The frogs feet produce efficient use of scarce dockage space and increase volume and profitability. Frogs feet require 'valet' dock hands who also provide safety and security for boaters in a manner similar to the way valet attendants in auto parking lots do. Valet dock hands are needed and wanted by boaters in the Bay area who dislike the confusion at unattended docks. San Francisco attracts many visitors each weekend, creating periods of peak demand that require and reward efficiency and good service.

In order to promote transient dockage, Pier 38 will provide 'twofer' coupons to boat dealers, yacht clubs and other marinas, which will allow two visits for the price of one. This year Pier 38 is offering a free dockage for Christmas shopping in San Francisco with the purchase of a Christmas tree from our lot.

Pier 38 handles all reservations on the internet. Go to www.pier38.com, download a reservation form and fax it to us. We will fax back the confirmation. To promote online reservations and announce the opening of our expanded marina, Pier 38 will place print advertisements in monthly boater publications (Sea Magazine, Latitude 38, Bay and Delta Yachtsman), showing our docks full and reminding boaters to reserve early for special events. Pier 38 will budget \$25,000.00 annually for advertising transient dockage and the new marina.

#### 4. Cost Efficiency / Value Added

This proposal is cost efficient. Pier 38's existing facilities add a high value when compared to the funds for the proposal.

# **National Boating Infrastructure Grant**

December 01, 2005 Page Six

Over three million dollars has already been spent on the infrastructure and facilities at Pier 38 including the following:

- New bathroom facilities
- New and upgraded electrical system
- 3. New plumbing
- 4. New fire suppression system for the entire pier
- 5. Complete structural retrofit of the South Wall of the Pier with structural repairs to the North Wall as necessary
- 6. New roof for the entire Pier
- Installation and structural upgrade of a portion of the fixed apron
- Four hundred lineal feet of existing transient docking including San Francisco's first full ADA accessible gangway
- 9. Installation of new security gates
- 10. Installation of infra structure for the 5,000 square foot dockside restaurant space including plumbing, electrical, HVAC and structural
- 11. Construction of Harbor Master office
- 12. Painting of the entire Pier
- 13. Operating dry storage facility
- 14. Indoor parking for up to one hundred cars
- Renovation of historic Pier Shed with office and retail businesses. Pier 38 is eligible for listing on the National Register of Historic Places. Pier 38 was the location of the "Bloody Thursday" conflict between police and dockworkers.

These features add a high value compared with the funds sought from the BIG program. Further Pier 38 will be investing an additional \$2,714,890.00 in this project as a match, thereby increasing the cost efficiency of the grant.

### Provide Significant Links to Prominent Destination Way Points Such as Those Near Metropolitan Population Centers, Cultural or Natural Areas, or that Provide Safe Harbors from Storms.

San Francisco is the most prominent destination for hundreds of miles and is the cultural center for a population of six million people, as well as the destination for an additional sixteen million tourists annually, as well as a destination for an additional sixteen million tourists annually. Pier 38 itself is eligible for listing on the National Register of Historic Places. San Francisco is a safe harbor from Pacific Ocean storms and a natural maritime waypoint to all of northern California. It is situated at the hub of Army Corps of Engineers maintained navigation channels which lead to Napa, Vallejo, Sacramento, Stockton, Pittsburg, Richmond, Berkeley, Emeryville, Oakland, Hayward, San Jose, Redwood City, San Mateo, Brisbane, South San Francisco, Half Moon Bay, Santa Cruz, Monterey and Fort Bragg.

San Francisco Bay is the natural way point for ocean going vessels headed south from Alaska, Washington State and Oregon and those headed north from Southern California and Mexico. It is also a major international commercial maritime shipping and repair center with dry dock facilities and capabilities for handling most commercial vessels and large yachts.

**National Boating Infrastructure Grant** 

Page Seven December 01, 2005

# 6.

**Providing Access** National Significance

| Recreational | Golden Gate<br>National Recreation Area                   | One of the nation's most highly visited National Parks, it comprises numerous sites, including Alcatraz, Marin Headlands, Nike Missile Site and Fort Mason, as well as Muir Woods National Monument, Fort Point National Historic Site, and the Presidio of San Francisco. Each has its own unique natural, cultural and military history.   |
|--------------|---|--|
|              | Yosemite National Park                                    | One Park. Four Seasons. Countless Adventures. Unmatched scenery, year-round recreation, and a sense of timeless peace are but a short drive from Pier 38 in San Francisco.   |
| Historic     | USS HORNET  | The aircraft carrier, USS Hornet is a national treasure, having participated in two of the greatest events of the 20th century World War II and the Apollo 11 manned space mission. Now moored at historic Alameda Poin on San Francisco Bay, the USS HORNET is a timeless memorial to those who defended our American values and to those who have pursued America's technological advancements.  |
|              | Alcatraz Na <b>t</b> ional Park                           | Alcatraz was used as a federal maximum security prison from 1934 unti<br>1963, when it was closed due to high costs and security issues.   |
| Cultural     | Angel Island  | Angel Island is a hilly, grass- and forest-covered island, the largest in Sar Francisco Bay. It is located one mile from the Tiburon Peninsula. The park covers 740 acres and is 788 feet high at the top of Mt. Livermore. It provides spectacular views of Marin County, San Francisco and the Golden Gate, and the entire Bay Area. In addition to recreational facilities (hiking, biking, camping, boating), it is rich in historical significance. |
|              | Jimmy Dolittle<br>Air + Space Museum                      | Jimmy Dolittle Air and Space Museum in Vacaville, California, at the Travis<br>Air Force Base.   |
| Natural      | The Gulf of the Farallones<br>National Marine Sanctuary • | The Gulf of the Farallones National Marine Sanctuary is one of thirteer Marine sanctuaries in the United States. It is located outside San Francisco's Golden Gate and comprises part of the United Nations Golden Gate Biosphere Reserve. The Sanctuary was declared in 1981 and protects about 1250 square miles of the waters off San Francisco.  |
|              | Marine Mammal Center                                      | Marine Mammal Center is in its 30th year of research, rescue and education and is located at the Marin Headlands in Sausaino.  |
| Scenic       | Ano Neuevo Elephant<br>Seal Sanctuary•                    | Ano Neuevo Elephant Seal Sanctuary is home to a large colony of Northern Elephant Seals and is located on the central coast of California an hour's drive south of San Francisco.  |
|              | Santa Cruz  | Santa Cruz is the quintessential beach town. It was here that Hawaiian royalty first introduced surfing to the mainland and locals and visitors alike have been riding the waves ever since. Not far from the surf break calliope music and laughter fills the air at the Santa Cruz Beach Boardwalk   |

# Pier 38 Maritime Recreation Center Application National Boating Infrastructure Grant

| December 01, 2005 | Page Eight |
|-------------------|------------|
|-------------------|------------|

| 6.                            |         | <b>ng Access</b><br>Significance |   |  |
|-------------------------------|---------|----------------------------------|---|--|
| Recrea                        | ational | Marin Headlands<br>Hiking Trails | The Headlands provide a quick departure from urban activity. Windswept ridges, protected valleys and beaches offer nature's best or the city's doorstep. From the hillsides near the Golden Gate, you can enjoy magnificent views of the San Francisco harbor entrance.   |  |
|                               |         | Gold Country                     | The discovery of gold in 1848 touched off the largest gold rush in history and reminders of those days can be found everywhere. The region extends from the Sierra Nevada Foothills (west) spectacular mountains of the High Sierra (east.) A short drive from San Francisco.   |  |
| Historic                      |         | Pier 38.                         | The site of San Francisco's maritime strike, which began May 9, 1934, and tumbled out of control when the Industrial Association, which was made up of employers and business interests who wished to break the strike and the power of San Francisco unions, began to move goods from the piers to warehouses.                                 |  |
|                               |         | Treasure Island                  | A man made island, Treasure Island has been used as an international airport, as a military base, and was the site of the 1939-40 World's Fair. San Francisco landmarks visible from Treasure Island and Yerba Buena Island include The Golden Gate Bridge, Alcatraz Island, Coit Tower and the Transamerica Pyramid in the Financial District. |  |
| Cultural Monterey Aquarium    |         | Monterey Aquarium                | Located on Monterey Bay about 70 miles south of San Francisco, the aquarium offers a unique look at the beauty of marine life in nearly 200 galleries and exhibits.   |  |
|                               |         | Palace of Fine Arts              | The Panama Pacific Exposition of 1915 was dedicated to progress, the completion of the Panama Canal, and the rebirth of San Francisco following the 1906 earthquake. One of the primary exposition buildings, the Palace was completely reconstructed in the 1960s.   |  |
| Natural Mt. Diablo State Park |         | Mt. Diablo State Park            | Mt. Diablo State Park is one of the ecological treasures of the Bay Area Every season in the park has its special qualities, the beautiful wildflowers its extensive trail system, fascinating wildlife and distinctive rock formations. The park offers hiking, biking, horseback riding & camping.  |  |
|                               |         | Muir Wood<br>Redwood Forest      | Only a few miles north of San Francisco in an isolated canyon grows the ancient coast redwood forest known the world over as Muir Woods. The park offers solitude, interpretive displays and programs, and numerous hiking trails.  |  |
| Scenic                        |         | Angel Island State Park          | Access to the Island from San Francisco is by private boat or public ferry<br>In the middle of San Francisco Bay it offers spectacular views of the San<br>Francisco skyline, the Marin Headlands and Mount Tamalpais.  |  |
|                               |         | Golden Gate and Bay Bridges      | The Golden Gate Bridge, is a visitor attraction recognized around the world. The San Francisco-Oakland Bay Bridge, known locally as the Bay Bridge, spans the SF Bay and links the cities of Oakland & San Francisco.   |  |

# Pier 38 Maritime Recreation Center Application National Boating Infrastructure Grant

| 6.                               | <b>Providin</b><br>Local Sign |  |   |
|----------------------------------|-------------------------------|--|---|
| Recrea                           | itional                       | Exploratorium                          | Exploratorium in the Palace of Fine Arts is more like an experimental laboratory than a museum and has hundreds of interactive and entertaining exhibits.   |
|                                  |                               | Discovery Museum                       | Bay Area Discovery Museum, just across the Golden Gate Bridge, is an indoor/outdoor children's museum that offers a full range of hands-on activities and exhibits focused around the arts, sciences, environment and media.  |
| Histori                          | ic <sub>.</sub>               | SF Maritime Museum                     | For more than fifty years, San Francisco Maritime National Park Association has worked to bring maritime history to life for visitors to the San Francisco Bay Area. The Association supports San Francisco Maritime National Historical Park and independently operates the World War II submarine museum and memorial USS Pampanito. More than 110,000 people visit USS Pampanito annually, making her one of the most popular historical naval vessels in the country. |
|                                  |                               | Hyde Street Historic Ships             | Hyde Street Historic Ships, a unit of the National Park Service, is located at the west end of Fisherman's Wharf in San Francisco. This unique National Park includes the historic fleet at Hyde Street Pier, the Maritime Museum and the Maritime Museum Library. Each year over a half million visitors experience the Hyde Street Pier and the Museum.   |
| Cultural                         |                               | Asian Art Museum                       | San Francisco's greatest art collection and its newest cultural landmark exhibit treasures from Asia's past and present.  |
|                                  |                               | SFMOMA                                 | San Francisco Museum of Modern Art features the West Coast's most comprehensive collection of modern and contemporary art and offers an ever changing program of special exhibitions.   |
| Natural Bay Model Visitor Center |                               | Bay Model Visitor Center               | The Bay Model Visitor Center in Sausalito is a fully accessible education center administered by the U.S. Army Corps of Engineers which makes possible the viewing of a scientific tool: a working hydraulic model of the San Francisco Bay and Sacramento-San Joaquin River Delta System. The only one of its kind in the world.   |
|                                  |                               | Twin Peaks                             | Twin Peaks is a hill in San Francisco offering the best panoramic views of the City.  |
| Scenic Golden Gate Pa            |                               | Golden Gate Park                       | Golden Gate Park is one of the largest urban national parks in the world Established in 1972 as part of a trend to make national park resources more accessible to urban populations and bring "parks to the people These lands represent one of the nation's largest coastal preserves and attract 16 million visitors each year.  |
|                                  |                               | All that San Francisco<br>has to offer | Chinatown, Fisherman's Warf, Haight-Ashbury, Restaurants, Japantown The Mission, Shopping, North Beach, Theater and Opera, Union Square Nob Hill and more can be accessed by public transportation located 100 yards from Pier 38 Marina.   |

# **National Boating Infrastructure Grant**

December 01, 2005 Page Ten

#### 7. Provide Significant Positive Economic Impacts to the Community

Doubling the number of slips and tie-ups for transient boaters in San Francisco will likely more than double the present economic impacts of transient boaters for San Francisco. Based upon the California Boating Facilities Needs Assessment completed in 2001, California boaters spent an average of \$136.00 per day. This figure in undoubtedly higher now and would also be higher for boats in excess of 26 feet in length. However, even assuming the average from 2001, forty boats occupying space for one hundred days per year would have an economic impact of \$544,000. Further, given Pier 38's location this figure will be far higher as boaters using the transient slips at Pier 38 will be going into San Francisco and spending their dollars in the local economy on shopping, restaurants and entertainment. In addition, as of 2001, the average California boater spent \$1,700.00 per year on boat upkeep (higher for boats in excess of 26 feet in length), and a portion of that \$1,700.00 will be spent at Pier 38 and environs.

Providing facilities for the largest yachts has a far greater economic impact because large ocean-going yachts (megayachts - defined as 80 feet and greater with a full time crew) spend prodigious amounts of money. An accepted rule of thumb substantiated by economic studies estimate the annual cost of operating a megayacht at 10% to 15% of the original cost of the vessel. A significant portion of that will be spent in San Francisco. The January 2005 Showboat magazine delineates the extent of the recent annual 250% increase in the megayacht industry. As does the January 12, 2006 Friday section of The New York Times.

Megayachts have been a staple of Pier 38's business since its inception in 1996. Based upon Pier 38's informal survey, a Megayacht staying ten days at Pier 38 will spend between \$50,000.00 - \$150,000.00 per stay. Sometimes even more. This includes fuel, provisions for the boat, repairs and maintenance, and shopping and entertainment by the crew and guests. Pier 38 expects that its transient Megayacht business will increase dramatically upon completion of the project.

In addition to the dollars spent by boaters, Pier 38 will be hiring additional employees for its expanded facility. Pier 38 expects to hire at least three new dock hands.

Upon completion Pier 38 will be the largest permanent and transient Megayacht facility in California and likely contributing at least 25 million dollars annually to the local economy.

#### 8. Include Multi-State Efforts that Result in Coordinating Location of Tie-Up Facilities.

California and Oregon entered into a Memorandum of Understanding in October 2005 that establishes coordination between the States in the planning and location of transient boating facilities as identified in the Oregon Six Year Statewide Boating Facilities Plan (2005-2011) and the California Statewide Boating Facilities Needs Assessment (October 2002).

This project helps meet transient boater needs as identified in the California Statewide Boating Facilities Needs Assessment (October 2002), and is recognized as an integral part of the multi-state effort between California and Oregon.

# Memorandum of Understanding Between

# The Oregon State Marine Board and The California Department of Boating and Waterways

This Memorandum of Understanding is between the State of Oregon, acting by and through the Oregon State Marine Board, hereafter called the "Board" and the State of California, acting by and through the California Department of Boating and Waterways, hereafter called the "Department".

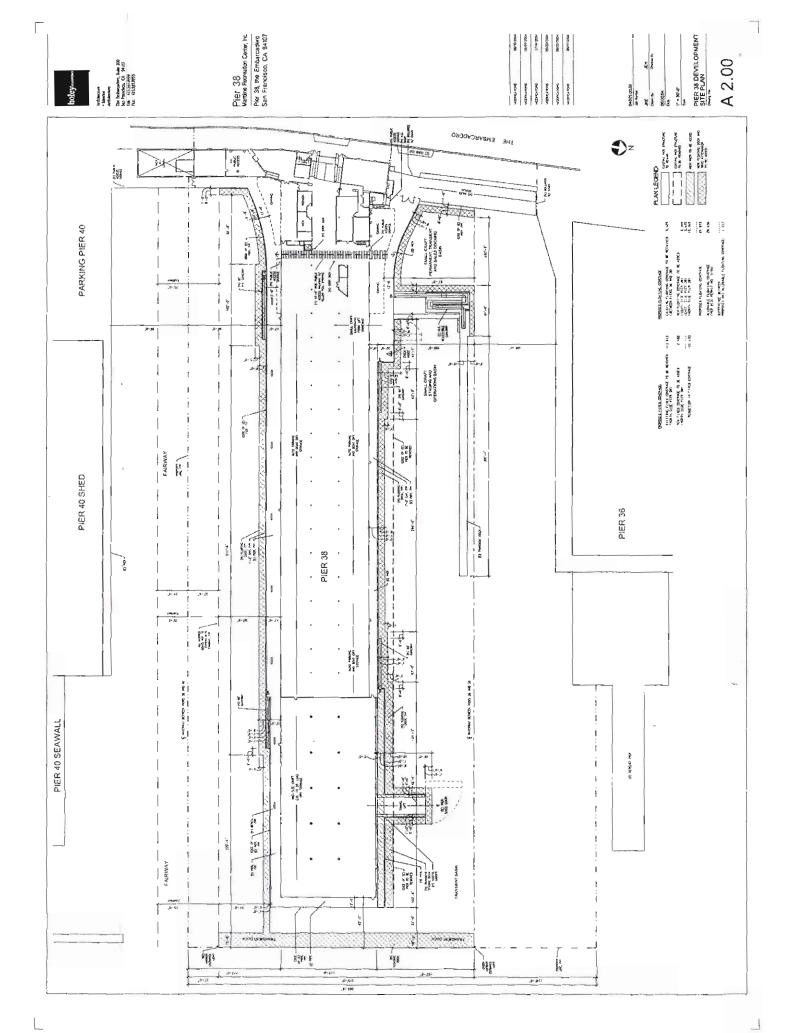
The purpose of this Memorandum of Understanding is to establish mutual support and coordination between the Board and the Department in transient boating facility development for the benefit of recreational vessels traveling along the California and Oregon coastlines.

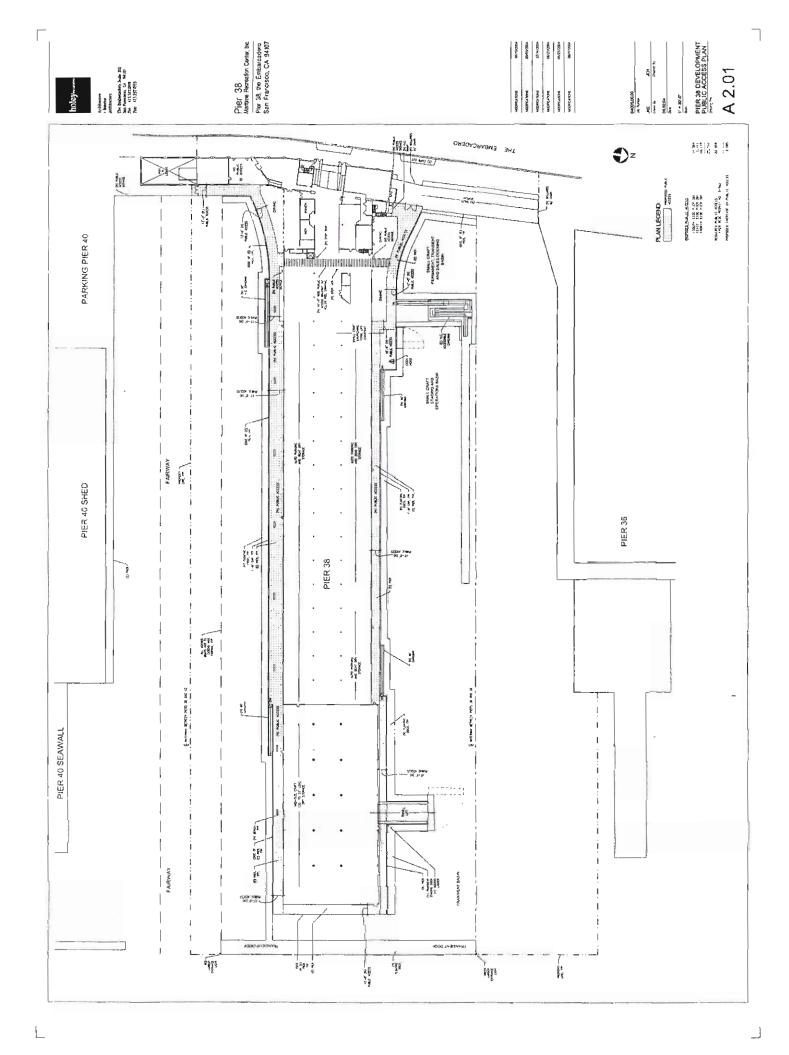
This Memorandum of Understanding is intended to establish bi-state cooperation resulting in the coordinated location of coastal transient boating facilities.

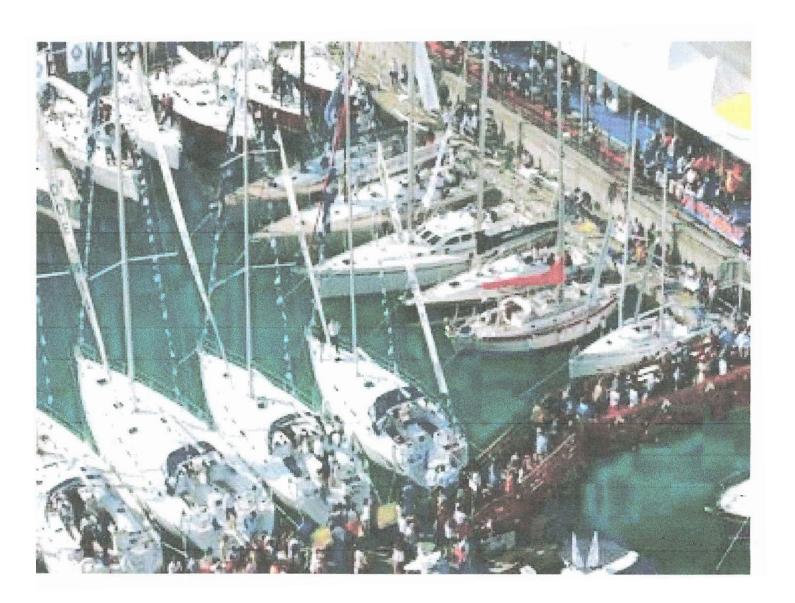
The Board and the Department hereby agree to coordinate and cooperate through respective efforts in the planning of transient boating facilities as identified in the Oregon Six Year Statewide Boating Facilities Plan (2005-2011) and the California Statewide Boating Facilities Needs Assessment (October 2002).

This Memorandum of Understanding is executed on behalf of the Board and the Department through the undersigned representatives on the dates indicated after their signature hereto:

| STATE OF OREGON     | STATE OF CALIFORNIA                 |  |  |
|---------------------|-------------------------------------|--|--|
| Marine Board        | Department of Boating and Waterways |  |  |
| By: Paul Donheffner | By: Ray Tsuneyoshi                  |  |  |
| Title: Director     | Title: Director                     |  |  |
| Date: 10/10/05      | Date: 18/4/x,                       |  |  |







MED TIE is a manner of docking used in the Mediterranean Sea where the vessel is stern to the warf or quay. It maximizes berthing space and is suitable for any size vessel.

|    | RANKING CRITERIA  | MAX<br>POINTS | RATING |
|----|---|---------------|--------|
|    | Plan to construct, renovate and maintain tie-up facilities for transient non-trailerable recreational vessels following priorities identified in your State's program plan that the Secretary of the Interior has approved under section 7404(c) of the Sport Fishing and Boating Safety Act.   | 15 Points     |        |
| 2. | Provide for public/private and public/private partnership effort to develop, renovate and maintain tie-up facilities. These partners must be other than the Service and lead State Agency.  |               | 1      |
|    | - One partner   | 5 points      |        |
|    | - Two partners  | 10 points     | -      |
|    | - Three or more partners  | 15 points     |        |
| 3. | Use innovative techniques to increase availability of tie-up facilities for transient non-trailerable vessels   | 0-15 points   |        |
| 4. | Include private, local, or other State funds in addition to the non-Federal match, described in §86.42:   |               |        |
|    | - Twenty-six percent to thirty-five percent   | 5 points      |        |
|    | - Between thirty-six and forty-nine percent   | 10 points     |        |
|    | - Fifty percent and above   | 15 points     |        |
| 5. | Are cost efficient. Proposals are cost efficient when the tie-up facility or access site's features add a high value compared with the funds from the proposal, for example, where you construct a small feature such as transient mooring dock within an existing harbor that adds high value and opportunity to existing features. A proposal that requires installing all of the above features would add less value for the cost. | 0-10 Points   |        |
| 6. | Provide a significant link to prominent destination way points such as those near to metropolitan population centers, cultural or natural areas, or that provide safe harbors from storms.  | 10 Points     |        |
| 7. | Provide access to recreational, historic, cultural, natural or scenic opportunities of national, regional or local significance. Projects that provide access to opportunities of national, regional, or local significance receive 5 points for each, for a maximum of 15 points.  | 5-15 Points   |        |
| 8. | Provide significant positive economic impacts to a community.   | 1-5 Points    |        |
| 9. | Include multi-State efforts that result in coordinating location of tie-up facilities   | 5 Points      |        |
| 10 | Total possible points   | 105 Points    |        |

: